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**Sixtieth session**
Agenda item 139
**Financing of the United Nations Peacekeeping Force in Cyprus**

# Financial performance report for the period from 1 July 2004 to 30 June 2005 and proposed budget for the period from 1 July 2006 to 30 June 2007 of the United Nations Peacekeeping Force in Cyprus

## Report of the Advisory Committee on Administrative and Budgetary Questions

| | |
|---|---|
| Appropriation 2004/05 | $49,417,300 |
| Expenditure 2004/05 | $48,625,100 |
| Appropriation 2005/06 | $44,184,300 |
| Proposal submitted by the Secretary-General 2006/07 | $44,954,300 |
| Recommendation of the Advisory Committee 2006/07 | $44,954,300 |

## I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions recommends approval of the amount proposed by the Secretary-General for the United Nations Peacekeeping Force in Cyprus (UNFICYP) for the period from 1 July 2006 to 30 June 2007.

2. The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNFICYP.

3. The documents used by the Advisory Committee in its consideration of the financing of UNFICYP are listed at the end of the present report.

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## II. Financial performance report for the period from 1 July 2004 to 30 June 2005

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 58/301, appropriated an amount of $49,417,300 gross ($47,093,500 net) for UNFICYP for the period from 1 July 2004 to 30 June 2005, comprising the amount of $47,240,400 gross ($44,916,600 net) for the maintenance of the Force and $2,176,900 gross and net for the strengthening of the security and safety of the staff and premises of the Force. The appropriated amount included voluntary contributions from the Government of Cyprus in the amount of $16,144,900, equivalent to one third of the net cost of UNFICYP, and $6.5 million from the Government of Greece. An amount of $26,472,400 gross ($24,148,600 net) was assessed on Member States for the maintenance of UNFICYP and the strengthening of the security and safety of the staff and premises of the Force for the 2004/05 period. Expenditures for the period totalled $48,625,100 gross ($46,640,400 net). The resulting unencumbered balance of $792,200 represents, in gross terms, 1.6 per cent of the appropriation.

5. Key resource variances include savings resulting from the adjustment by the Security Council (resolution 1568 (2004)) of the authorized strength of military personnel from 1,230 to 860 ($2,112,400 or 9.1 per cent); a high actual vacancy rate of 33.3 per cent for United Nations police compared to the budgeted rate of 10 per cent (see para. 21 below); reduced requirements for official travel to destinations outside the mission and training-related travel owing to the application of a "train-the-trainers" policy and provision of training locally ($36,400 or 15.6 per cent); lower than budgeted actual costs of supplies, services and equipment for military and United Nations police personnel following the reduction of troop strength; and lower requirements for training fees, supplies and services owing to the reduced number of training courses undertaken ($29,600 or 6.2 per cent); reduced requirements under air transportation resulting mainly from decreased costs for third party liability insurance premiums under a new contract with a lower prorated cost of insurance attributable to an increase in the number of aircraft in peacekeeping operations ($40,300 or 2.7 per cent); and, lower costs under international staff ($371,400 or 5.7 per cent) owing to lower than budgeted expenditure for staff assessment combined with a higher (15.2 per cent) than budgeted (4 per cent) average vacancy rate, owing in part to the conversion of five Field Service posts to national staff posts.

6. The savings realized were offset by higher than budgeted expenditure ($224,500 or 50.5 per cent) under United Nations police because of an increase in the daily mission subsistence allowance rate for United Nations police, which also became payable in local currency (see para. 24 below); higher costs for national staff owing to unfavourable exchange rates (see below) and a 5.7 per cent salary scale increase as of September 2004 ($685,600 or 12.8 per cent); and additional requirements for general temporary assistance pending recruitment of an international staff member and for the replacement of three national staff members on extended sick leave ($74,500 or 14.9 per cent). Additional expenditures in the amount of $781,500 or 5.6 per cent were also incurred under operational costs owing to unforeseen requirements in connection with the relocation of military contingent personnel to centralized locations following the closure of camps, patrol bases and observation posts; the strengthening of the security and safety of staff and

premises; increases in the cost of diesel fuel; increased costs for medical services provided by private doctors and clinics, medicines and medical supplies; and under ground transportation owing to the increase in rental costs for vehicles (see para. 35 below). Furthermore, the Committee notes that the appreciation of the Cyprus pound (£C) by 11 per cent against the United States dollar during the period also contributed to the higher costs for national staff salaries as well as for goods and services procured locally.

7. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2006 to 30 June 2007 in the paragraphs below.

8. The Secretary-General, in his report on liabilities and proposed funding for after-service health insurance (A/60/450), proposed a number of measures that need to be taken to fund and account for the accrued liabilities for after-service health insurance benefits. The measures provide, inter alia, for the transfer of $250 million from unencumbered balances and savings on or cancellation of prior-period obligations of active peacekeeping missions as at the end of the 2005 fiscal year. **Depending on what the General Assembly may decide, there may be a consequential impact on the financing of UNFICYP and other peacekeeping operations.**

## III. Information on performance for the current period

9. The Advisory Committee was informed that, as at 31 December 2005, a total of $280,547,000 had been assessed on Member States in respect of UNFICYP since June 1993. Payments received as at the same date amounted to $264,586,000, leaving an outstanding balance of $15,961,000. As at 27 March 2006, the cash position of the mission was $13,400,000 and unliquidated obligations as at 28 February 2006 for the period from 1 July 2004 to 30 June 2005 amounted to $2,178,000.

10. The Advisory Committee was also informed that payments of $14,453,000 had been made to Member States in respect of troop-cost reimbursement during 2005 and that unliquidated obligations for the period up to 31 October 2005 amounted to $1,915,000. With regard to contingent-owned equipment, the Committee was informed that payments made to Member States in 2005, certified up to 30 September 2005, amounted to $1,936,000, while unliquidated obligations totalled $340,000.

11. With regard to death and disability compensation, the Advisory Committee notes that since inception, as at 31 January 2006, 27 claims have been made, a total amount of $1,437,000 has been paid, unliquidated obligations amounted to $150,000 and one claim is outstanding.

12. As at 28 February 2006, the incumbency levels for the period from 1 July 2005 to 30 June 2006 were as follows:

| *Posts* | *Authorized* | *Encumbered* | *Vacancy rate (percentage)* |
|---|---|---|---|
| Military contingents | 860 | 854 | 0.7 |
| United Nations police | 69 | 67 | 2.9 |
| International staff | 41 | 33 | 19.5 |
| National staff | 113 | 109 | 3.5 |

13. Supplementary data provided to the Advisory Committee for the period from 1 July 2005 to 30 June 2006 (see annex) show that as at 28 February 2006, expenditure for the period amounted to $35,618,700 gross ($34,583,800 net) against an apportionment of $44,184,300 gross ($42,072,200 net).

# IV. Proposed budget for the period from 1 July 2006 to 30 June 2007

## A. Mandate and planned results

14. By its resolution 1642 (2005), the Security Council extended the mandate of UNFICYP for an additional six-month period up to 15 June 2006. In accordance with Security Council resolution 1568 (2004), UNFICYP has completed its downsizing from 1,230 to 860 military personnel, reduced the number of its operational sites and has implemented the mobile concept of operations requested by the Council. During the 2006/07 period, in accordance with this new concept of military operations, the number and frequency of mobile patrols will be increased and emphasis will be placed on liaison, observation and mediation rather than on the interposition between forces. Furthermore, the mission will utilize aerial observation and introduce surveillance technology for the improved monitoring of the United Nations buffer zone.

15. The Advisory Committee commends UNFICYP on the continued improvements in the presentation of its results-based framework, in particular the efforts made to address the Committee's request to further quantify indicators of achievement (A/59/736/Add.6, para. 16). The Committee is of the opinion, however, that in certain cases, some of the indicators of achievement presented in the performance report for the 2004/05 period and the budget for the 2006/07 period are too detailed and could be considered to be outputs rather than indicators of achievement.[1]

[1] For example, under expected accomplishment 1.2, "progress towards normalizing living conditions in the United Nations buffer zone and for Greek Cypriots and Maronites in the north and Turkish Cypriots in the south", the indicators of achievement presented include "Permission granted for a second priest at the Karpas Church" in the performance report (A/60/584) and "Upgrading of a Greek Cypriot secondary school in the north by adding to the first 3 grades of secondary education the last 3 grades" in the budget proposal (A/60/592).

16. The Advisory Committee stresses that particular attention should be given to the formulation of indicators of achievement, which should be aimed at facilitating an objective analysis of the progress made towards the implementation of expected accomplishments and their relationship to the resources mobilized. While the Committee recognizes that, paradoxically, it may be more challenging to determine meaningful indicators for measuring progress in long-term missions, such as UNFICYP, with an emphasis on mediation, good offices and difficult political negotiations, than for a more complex mission with a heavy military component, it encourages the mission to continue to refine its results-based framework, to align it closely to its mandate and to tailor it to the particular context and circumstances of UNFICYP as a mature, stable mission.

17. In his report on estimates in respect of special political missions (A/60/585/Add.1, sect. II.5), the Secretary-General proposes resources for the Special Adviser to the Secretary-General on Cyprus in the amount of $467,300 gross ($406,300 net). The Advisory Committee notes that this amount includes a provision for general temporary assistance in the amount of $274,400 to cover the salaries and common staff costs for a Special Adviser of the Secretary-General, at the Under-Secretary-General level, to be engaged on a when-actually-employed basis for an aggregated period of 75 days, and two support staff, including one Political Affairs Officer (P-4) and one Secretary (General Service, other level); official travel in the amount of $131,400; and miscellaneous supplies and services ($500).

18. The Advisory Committee requested and received additional information on the respective roles and functions of the Special Adviser of the Secretary-General on Cyprus and the Special Representative of the Secretary-General/Chief of Mission and on the level of coordination between their two offices. **In light of the interdependence and complementarity of the mandates of the Special Adviser and of UNFICYP and given the extensive knowledge and experience acquired by UNFICYP over the many years of its presence in Cyprus, the Committee would expect that there is scope for finding synergies and that it is possible for UNFICYP to provide support to the Special Adviser of the Secretary-General in carrying out his mandate. The Committee urges UNFICYP to do its utmost to avoid any duplication of efforts, to ensure efficiency and the optimum use of resources. The Committee requests that any savings realized under the office of the Special Adviser of the Secretary-General on Cyprus as a result of support provided by UNFICYP be reflected in the performance report.**

## B. Resource requirements

19. The proposed budget for UNFICYP for the 2006/07 period amounts to $44,954,300 gross, $43,135,800 net (exclusive of budgeted voluntary contributions in kind in the amount of $1,439,000), representing an increase of $770,000 (1.7 per cent) in gross terms over the amount of $44,184,300 apportioned for the 2005/06 period. The budget provides for the deployment of 860 military contingent personnel, 69 United Nations police officers, 42 international staff and 111 national staff.

## 1. Military and police personnel

| *Category* | *Approved 2005/06*[a] | *Proposed 2006/07*[a] |
|---|---|---|
| Military contingents: | | |
| Military | 822 | 834[b] |
| Civil Affairs | 12[c] | 0 |
| Support functions[d] | 26 | 26 |
| **Total military contingents** | **860** | **860** |
| United Nations police | | |
| United Nations police | 62 | 62 |
| Civil Affairs Branch[e] | 7 | 7 |
| **Total civilian police** | **69** | **69** |

[a] Represents the highest level of authorized strength for the period.
[b] Includes 12 military officers previously performing civil affairs functions (reported in the 2005/06 budget under component 1, political and civil affairs).
[c] United Nations police officers dedicated to civil affairs functions.
[d] Military officers dedicated to support functions.
[e] United Nations police dedicated to civil affairs functions.

20. An increase of $111,500 or 0.6 per cent in comparison with the apportionment for the current period is proposed under military and police personnel for the 2006/07 period. The increased requirements projected under travel on emplacement, rotation and repatriation owing to higher fuel costs ($172,000 or 12.3 per cent) under rations as a result of higher rates applied in new contracts ($173,800 or 9.8 per cent) and in the provision for death and disability compensation ($10,000 or 6.7 per cent) would be largely offset by lower requirements for standard troop-cost reimbursement ($92,800 or 0.8 per cent) and contingent-owned major equipment ($146,700 or 10.5 per cent).

21. The Advisory Committee was informed that the strength of UNFICYP military personnel stood at 874 as at 30 June 2005 and could not be reduced to the approved troop level of 860 until 30 September 2005 owing to the fact that the United Nations police did not, at that time, have the capacity to assume the functions of the Sector Civil Affairs Team, which were performed by the military component. That also accounted for the high vacancy rate for United Nations police (see para. 5 above), with an average deployment of 46 police personnel during the 2004/05 period. The incumbency level rose to 60 officers in September 2005 and reached the authorized level of 69 officers only in March 2006.

22. With respect to rations, the Advisory Committee notes that in the summary of follow-up action taken to implement the decisions and requests made by the General Assembly in section XXII of its resolution 59/296 (see A/60/592, sect. V.A), UNFICYP indicates that it ensures the ongoing monitoring of contractors' compliance with their obligations and that required standards are being met. However, in its report on the accounts of peacekeeping operations for the period ending 30 June 2005, the Board of Auditors observes that "deficiencies in the packaging, storage or temperature control of rations were noted" and that "evaluations of supplier performance indicated instances of discrepancies in terms

of quality, defects and substitutions" in a number of missions, including UNFICYP (A/60/5 (vol. II), para. 324).

23. **The Committee reiterates the importance it attaches to matters relating to rations since this issue affects the health and morale of contingent personnel and has significant financial implications (A/59/736, paras. 41-45). The Committee trusts that UNFICYP will take all necessary measures to address the deficiencies observed by the Board of Auditors with respect to rations and report fully on this matter in the budget proposal for the 2007/08 period.** On a related matter, the Committee notes that additional requirements are requested under facilities and infrastructure for the acquisition of refrigeration equipment and the renovation of the rations warehouse for the 2006/07 period.

24. The Committee was informed that during the 2004/05 period it had become impossible to supply food rations to United Nations police in a practical manner because of their dispersion throughout the buffer zone. The daily mission subsistence allowance rate for United Nations police had therefore been revised to include the food portion and, taking into account also the appreciation of the Cyprus pound against the United States dollar (see para. 6 above), the rate had increased from $12 to $25 on 1 July 2004 and to $36 on 1 August 2004. Furthermore, from 1 February 2005 the allowance became payable in local currency, amounting to £C17 per day.

**Recommendations on posts**

25. The Advisory Committee notes that in view of the reduction of troop strength from 1,230 to 860 military personnel it is proposed to make the following adjustments in the Office of the Force Commander:

(a) Force Commander, D-1. It is proposed to downgrade the position of this post from D-2 to the D-1 level;

(b) Administrative Assistant, National General Service staff. This post would be redeployed to the Division of Administration (see below).

**The Advisory Committee welcomes these proposals, which are in line with the course of action recommended in its report on the budget for the current period (A/59/736/Add.6, para. 27; see also A/60/592, sect. V.B).**

2. **Civilian personnel**

| *Category* | *Approved 2005/06* | *Proposed 2006/07* |
|---|---|---|
| International staff | 41 | 42 |
| National staff | 113 | 111 |

26. The estimated requirements for civilian personnel amount to $11,819,000, a decrease of $759,700 or 6 per cent as compared to the apportionment for the current period, comprising a reduction of $525,100 or 8.1 per cent under international staff and $234,600 or 3.9 per cent under national staff. As explained in the budget proposal (A/60/592, paras. 14-15), the variance is due mainly to the application of salary and staff assessment rates derived from actual average expenditure for the

2004/05 period for international staff and the proposed abolishment of three national General Service staff. The Committee notes that a delayed recruitment factor of 5 and 2 per cent is applied for international and national staff, respectively.

27. The comparative analysis of the Board of Auditors on the ratio of civilian personnel to military and police personnel in the different peacekeeping operations (A/60/5 (vol. II), tables II.25 and II.26) shows that in UNFICYP there is 1 civilian staff for every 8 military and police personnel, which is higher, for example, than in the United Nations Mission in Liberia and the United Nations Operation in Côte d'Ivoire, where this ratio is 1 civilian staff for 11 and 10 military and police personnel, respectively. **The Advisory Committee is of the opinion that in long-established missions, such as UNFICYP, the proportion of support staff should be lower than in the more recent, complex missions, which have a heavier burden during the start-up and initial phases. The proportion of support to military personnel should therefore gradually decrease with time and the grade levels of civilian staff should also be adjusted to the levels of effective responsibility, especially when the missions are downsized, as was the case of UNFICYP in 2005.** The Committee was informed that UNFICYP had reviewed its human resources requirements following troop reduction from 1,230 to 860 and had made some adjustments (see below). The Committee notes, however, that the overall levels of civilian personnel in the 2006/07 period are practically unchanged, at 153, as compared to 154 in 2004/05. The Committee requests UNFICYP to pursue its efforts in this area in order to ensure the most cost-effective use of resources. **In its general report on peacekeeping operations, the Committee will also point to the need for all peacekeeping operations to carry out a periodic review of the number and grade levels of support staff, in particular following a change of mandate and the downsizing of missions.**

**Recommendations on posts**

*Executive direction and management*

28. It is proposed to abolish the posts of two Interpreters, national General Service staff, under component 1, Political and civil affairs, as a result of efficiencies expected from the establishment of a centralized pool of interpreters/translators, which would bring their total number from six to four. **The Advisory Committee recommends acceptance of this proposal.**

*Conduct and Discipline Team*

29. It is proposed to establish a Conduct and Discipline Team to service UNFICYP, United Nations Truce Supervision Organization, United Nations Disengagement Observer Force, United Nations Interim Force in Lebanon and United Nations Special Coordinator for the Middle East Peace Process, including the following posts:

(a) Conduct and Discipline Officer, P-5;

(b) Conduct and Discipline Assistant, national General Service staff.

30. As indicated in the budget submission, these would be temporary positions, to be funded from general temporary assistance. However, the Advisory Committee notes that these posts are included in the staffing table of the mission and are

proposed for the entire 2006/07 financial period. **It is the Advisory Committee's view therefore that the related cost should be reflected as posts rather than general temporary assistance. This is a new function and the Committee will comment on it further in its general report. While it does not object to the proposed resource requirements for the Conduct and Discipline Team in UNFICYP, the Committee expects that these resources will be used for the intended purpose only and in full compliance with resolution 59/296 (sect. XIV, para. 4 (d)), in which the General Assembly requests the Secretary-General to address, inter alia, full justification of resource requirements, both at Headquarters and in the field, taking into account the specificities of each mission and based on empirical data on the actual number of allegations and cases of sexual exploitation and abuse. Any savings that might arise in the context of addressing this provision of resolution 59/296 should be reflected in the performance report, which should include specific data on the workload of Conduct and Discipline Teams.**

*Division of Administration*

31. The following proposals are made under the Division of Administration:

(a) One Chief Procurement Officer, P-4 (conversion of one Field Service post). UNFICYP proposes to establish this post at the P-4 level following the increased delegation of procurement authority to the mission as of June 2005 and the corresponding increase in the level of responsibility and accountability of the Chief Procurement Officer of the mission (see A/60/592);

(b) One Field Security Assistant, Field Service (redeployment of the post of Administrative Assistant from the Office of the Chief of Integrated Support Services). It is proposed to establish this post to assist the Field Security Officer;

(c) One Identification Documents Assistant, national General Service staff. This post would be redeployed from the Personnel Section to the Office of the Field Security Officer;

(d) One Administrative Assistant, national General Service staff. This post would be redeployed from the Office of the Force Commander (see above) to the Office of the Chief of Integrated Support Services. It would replace the post of Administrative Assistant, Field Service, which itself is proposed to accommodate the post of Field Security Assistant, Field Service (see above);

(e) One General Mechanic, national General Service staff. It is proposed to abolish this post.

**The Committee recommends acceptance of these proposals**

32. The Advisory Committee has frequently commented on the positive contribution of United Nations Volunteers in support of peacekeeping and peacebuilding activities and encourages UNFICYP to explore the possibilities of using Volunteers within its operations.

### 3. Operational costs

| *Apportioned 2005/06* | *Proposed 2006/07* |
|---|---|
| $13,555,500 | $14,973,700 |

33. The estimated operational requirements for the period from 1 July 2006 to 30 June 2007 amount to $14,973,700, representing an increase of $1,418,200 or 10.5 per cent over the apportionment of $13,555,500 for the 2005/06 period. Major factors contributing to the variance include additional requirements under facilities and infrastructure ($970,400 or 15.4 per cent) related mainly to the relocation of military personnel into main camps, upgrading of the electrical infrastructure, acquisition of additional firefighting equipment and increased requirements for self-sustainment; increased requirements for the acquisition of special equipment for the surveillance of the buffer zone in accordance with the new concept of operations ($200,000); and general temporary assistance for the temporary posts of Conduct and Discipline Officer (P-5) and Conduct and Discipline Assistant (national General Service staff) to be created in the Conduct and Discipline Team ($262,300).

34. The Committee was informed that a provision of $150,000 is made under maintenance services for contractual services related to the restoration of a solid waste disposal site to its original green field conditions. This additional one-time cost is required to comply with the relevant European Union standards.

35. From the performance report for the 2004/05 period, the Advisory Committee notes that a substantial increase of $297,700 or 14.9 per cent under ground transportation was due largely to a 196 per cent increase in the rental cost of 9 cross-country 4x4 vehicles. The Committee notes also that UNFICYP rents the entire vehicle fleet of the mission, which stands at some 250 vehicles. Concerning the practice of renting rather than purchasing the vehicles required by the mission, the Committee notes that a comprehensive cost-benefit analysis was carried out by UNFICYP, which demonstrated that it was more cost-effective to rent the vehicles rather than purchasing them and setting up internal units for their repair and maintenance (A/60/592, sect. V.B).

36. The Advisory Committee notes that in its report on the accounts of peacekeeping operations for the period ending 30 June 2005 the Board of Auditors indicates that delays in the implementation of the CarLog system in certain missions, including UNFICYP, resulted in deficiencies in the controls for the prevention of the abuse of United Nations vehicles (A/60/5 (vol. II), para. 219). **The Advisory Committee urges UNFICYP to monitor the use of vehicles and to ensure that all the directives concerning their use are strictly adhered to.**

## V. Conclusion of the Advisory Committee

37. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2004 to 30 June 2005 is indicated in paragraph 20 of the performance report (A/60/584). **The Advisory Committee recommends that the unencumbered balance of $792,200 as well as other income and adjustments in the amount of $541,100 be credited to the Member States in a manner to be determined by the General Assembly.**

38. The action to be taken by the General Assembly in connection with the financing of UNFICYP for the period from 1 July 2006 to 30 June 2007 is indicated in paragraph 23 of the proposed budget (A/60/592). **The Advisory Committee recommends that the General Assembly accept the proposal of the Secretary-General and appropriate the amount of $44,954,300 for the maintenance of UNFICYP for the 12-month period from 1 July 2006 to 30 June 2007, including $20,878,600 net to be funded through voluntary contributions from the Government of Cyprus ($14,378,600) and the Government of Greece ($6.5 million).**

*Documentation*

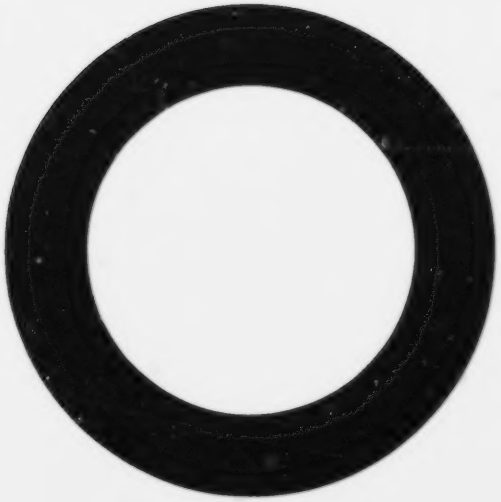
- Performance report on the budget of the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2004 to 30 June 2005 (A/60/584)
- Budget for the United Nations Peacekeeping Force in Cyprus for the period from 1 July 2006 to 30 June 2007 (A/60/592)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the financial performance report for the period from 1 July 2003 to 30 June 2004 and proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Peacekeeping Force in Cyprus (A/59/736/Add.6)
- General Assembly resolution 59/284 B on the financing of the United Nations Peacekeeping Force in Cyprus
- Report of the Secretary-General on the United Nations operation in Cyprus (S/2005/743)
- Security Council resolution 1642 (2005)

# Annex

## Actual expenditures for the period from 1 July 2005 to 30 June 2006 as at 28 February 2006

(Thousands of United States dollars)

| *Category* | *Apportionment* | *Expenditures as at 28 February 2006* |
|---|---|---|
| **Military and police personnel** | | |
| Military observers | — | — |
| Military contingents | 17 082.3 | 16 257.0 |
| United Nations police | 967.8 | 865.9 |
| Formed police units | — | — |
| **Subtotal** | **18 050.1** | **17 122.9** |
| **Civilian personnel** | | |
| International staff | 6 499.8 | 3 865.0 |
| National staff | 6 078.9 | 3 864.6 |
| United Nations Volunteers | — | — |
| **Subtotal** | **12 578.7** | **7 729.6** |
| **Operational costs** | | |
| General temporary assistance | 75.0 | 99.0 |
| Government-provided personnel | — | — |
| Civilian electoral observers | — | — |
| Consultants | — | — |
| Official travel | 154.6 | 89.6 |
| Facilities and infrastructure | 6 293.0 | 4 470.9 |
| Ground transportation | 3 313.1 | 2 929.9 |
| Air transportation | 1 587.1 | 1 480.7 |
| Naval transportation | — | — |
| Communications | 920.4 | 742.6 |
| Information technology | 539.9 | 391.6 |
| Medical | 261.1 | 272.8 |
| Special equipment | 9.9 | 6.7 |
| Other supplies, services and equipment | 401.4 | 282.4 |
| Quick-impact projects | — | — |
| **Subtotal** | **13 555.5** | **10 766.2** |
| **Gross requirements** | **44 184.3** | **35 618.7** |
| Staff assessment income | 2 112.1 | 1 034.9 |
| **Net requirements** | **42 072.2** | **34 583.8** |
| Voluntary contributions in kind (budgeted) | 1 431.2 | — |
| **Total requirements** | **45 615.5** | **35 618.7** |



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**Sixtieth session**
Agenda item 150
**Financing of the United Nations Mission in Sierra Leone**

# Performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2004 to 30 June 2005

## Report of the Advisory Committee on Administrative and Budgetary Questions

| | |
|---|---|
| Appropriation for 2004/05 | $291,603,600 |
| Expenditure for 2004/05 | $264,525,800 |
| Unencumbered balance | $27,077,800 |

## I. Introduction

1. The general report of the Advisory Committee on Administrative and Budgetary Questions on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations will contain its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to the United Nations Mission in Sierra Leone (UNAMSIL).

2. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

## II. Financial performance report for the period from 1 July 2004 to 30 June 2005

3. On the recommendation of the Advisory Committee contained in its report on UNAMSIL to the General Assembly at its fifty-eighth session (A/58/759/Add.3), the Assembly, by its resolution 58/308, appropriated a total amount of $207,246,100 for the period from 1 July 2004 to 30 June 2005, inclusive of $196,982,200 for the

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maintenance of the Mission, $8,391,200 for the support account for peacekeeping operations and $1,872,700 for the United Nations Logistics Base at Brindisi, Italy. This initial budget was prepared in accordance with the four-stage modified status quo drawdown plan for the Mission, as endorsed by the Security Council in its resolution 1492 (2003), which envisaged a complete withdrawal of peacekeeping troops by December 2004 (S/2003/663, paras. 37-40). Subsequently, the Council decided, by its resolution 1537 (2004), that a residual UNAMSIL presence would remain in Sierra Leone for an initial period of six months, from 1 January 2005. In this regard, an additional amount of $94,621,400 was authorized by the Assembly in its resolution 59/14 A on the recommendation of the Committee (A/59/417), bringing the total appropriation for the maintenance of the Mission for the 2004/05 period to $291,603,600. This amount has been assessed on Member States.

4. Expenditure for the maintenance of the Mission for the period totalled $264,525,800 gross ($259,488,500 net). The resulting unencumbered balance of $27,077,800 represents, in gross terms, 9.3 per cent of the appropriation for the maintenance of the Mission.

5. Key resource variances include savings resulting from a lower deployment of military contingents with an average actual strength of 5,458 compared to the budgeted 5,627 ($2,621,800) as a result of a faster pace of drawdown of the military force than was foreseen; reduced requirements for civilian police commensurate with the faster pace of downsizing of the military force ($318,600); a high actual vacancy rate of 18.2 per cent for international staff compared to the budgeted rate of 8 per cent ($7,048,800) owing to persistent difficulties in retaining and attracting qualified personnel as the mission was drawn down; and lower requirements under operational costs in the amount of $18,278,100 or 18.7 per cent, also due, in part, to the deployment of fewer military and police personnel.

6. The major savings under operational costs were realized in the following categories:

(a) Air transportation, in the amount of $14,967,800, or 30 per cent, comprising reduced costs for rental and operations of helicopters ($13,056,900) due to the withdrawal of 12 helicopters and the fact that the actual number of helicopter hours flown was 9,609 instead of the 15,755 budgeted hours and the corresponding lower requirements for petrol, oil and lubricants ($1,696,800);

(b) Medical expenditure, in the amount of $1,823,700 (27.7 per cent), under contingent-owned equipment and self-sustainment owing to the lower number of troops deployed and the lower than budgeted number of level-1 clinics required;

(c) Communications, in the amount of $1,510,700 (17.5 per cent), largely due to a decrease in the mission's share of global transponder charges following the expansion and establishment of other peacekeeping operations as well as a reduction in local and international calls;

(d) Special equipment, in the amount of $901,600 (34.7 per cent) owing to reduced requirements for contingent-owned equipment and self-sustainment resulting from the lower than budgeted troop strength.

7. The savings realized were offset by higher than budgeted expenditure for national staff ($261,400 or 9.6 per cent) due to higher actual average salary payments (see also para. 10 below); additional requirements under United Nations

Volunteers owing to the recruitment of 37 Volunteers rather than the 10 planned and the repatriation of 79 instead of the budgeted 50 United Nations Volunteers ($705,400); increased requirements under ground transportation owing to an increase in the fuel price from $0.33 to $0.42 per litre, fuel fraud (see paras. 12 and 13 below), the acquisition of spare parts for an ageing vehicle fleet, refurbishment of vehicles transferred to other missions and the appreciation of the euro against the United States dollar ($1,058,000); additional requirements under other supplies, services and equipment largely due to the purchase of 40 sea containers and the higher than planned usage of ferry services for the rotation and repatriation of military contingents ($110,500 or 6.2 per cent); additional requirements for the higher than anticipated deployment and repatriation rate of military observers ($222,700 or 2.7 per cent); and unbudgeted additional requirements of $107,000 under consultants to settle an outstanding payment for a human rights consultant group for services rendered in 2001.

8. The Advisory Committee was informed that in response to its concerns with respect to overexpenditure under non-training-related official travel, which amounted to $577,200, or 144.3 per cent of the budgeted amount during the 2003/04 period (A/59/736/Add.9, paras. 27 and 28), UNAMSIL had closely monitored travel costs and was able to record modest savings of 0.1 per cent during 2004/05 under official travel, including training and non-training-related travel. From the additional information provided, the Committee notes that a cost overrun of $51,500 (8.2 per cent), under non-training official travel due to additional trips by the offices of the Special Representative of the Secretary-General and the Force Commander was offset by savings in the amount of $52,300 (29 per cent) under training-related travel, as a result of targeting training to the specific needs of the mission and increased in-house training, in accordance with its recommendations (A/59/417, para. 21; A/58/759/Add.3, para. 35).

9. The Advisory Committee requested and received details on the outstanding obligations in the amount of $7.3 million carried over at the end of 2004/05 to the current financial period. In comparison, the Committee recalls that in the previous financial cycle, an amount of $10.8 million in outstanding obligations had been carried over from 2003/04 to 2004/05. From the additional information provided, the Committee notes that as at 31 January 2006, 67 per cent of the $7.3 million in outstanding obligations had been utilized, 15 per cent had been cancelled and that most of the remaining 18 per cent, or some $1.4 million, would be utilized before 30 June 2006. The Committee welcomes the improvements made and requests UNAMSIL to pursue efforts to address its concerns on the need for tighter financial control (A/59/736, paras. 12 and 13).

10. The Advisory Committee notes that additional requirements of $238,600 (14.4 per cent) under national staff were attributable to actual payments for salaries and allowance equivalent to level 4, step 5, of the salary scale applicable to Freetown, whereas the budget was established on an assumption of level 3, step 3. **The Committee notes that this divergence between the budgetary assumptions and actual payments for the salaries of national staff also occurred in several other peacekeeping missions and it trusts that steps will be taken to rationalize this situation so as to promote budget transparency.**

11. The Secretary-General, in his report on liabilities and proposed funding for after-service health insurance (A/60/450 and Corr.1), proposed a number of measures that needed to be taken to fund and account for the accrued liabilities for such benefits; the measures provided, inter alia, for the transfer of $250 million from unencumbered balances and savings on or cancellation of prior period's obligations of active peacekeeping missions as at the end of the 2005 fiscal year. **Depending on what the General Assembly decides, there may be a consequential impact on the financing of UNAMSIL and other peacekeeping operations.**

**Fraud and presumptive fraud**

12. In its report (A/60/5 (Vol. II), paras. 397-407), the Board of Auditors indicated that it is concerned by the increase in the number of cases of fraud and presumptive fraud reported by the Administration, up from 6 cases in 2003/04 to 30 cases at all missions in 2004/05. Furthermore, it should be noted that this number does not reflect the total number of cases of fraud and presumptive fraud, since a number of cases may be under review or not yet reported to the Board.

13. The Advisory Committee notes with concern that of the 30 cases reported, 25 occurred at UNAMSIL. Of these, 19 are related to fuel fraud at the mission, representing an estimated value of approximately $1.5 million, or 2.6 million litres of fuel. The Board indicates that the issue of fuel mismanagement was a subject of resident auditor's findings at UNAMSIL in 2004 and 2005. The Committee was informed that the fraud cases were partly uncovered by UNAMSIL through the Mission Electronic Fuel Accounting System, which had been developed and implemented in response to a fraud case in 2003. To further improve monitoring of fuel consumption, UNAMSIL indicated that controlled consumption tests had been conducted on major equipment to establish and monitor actual fuel consumption rates in support of budgeted estimates.

14. The Advisory Committee was informed that UNAMSIL was developing a comprehensive fuel policy, ensuring that car logs were installed in all vehicles being transferred to the United Nations Integrated Office in Sierra Leone (UNIOSIL) and that a fuel log system for UNIOSIL installations was prepared. The Committee notes that the Board of Auditors indicates that it recognizes the actions taken by UNAMSIL to address the problems with regard to fuel management (A/60/5 (Vol. II), para. 401).

15. The Advisory Committee shares the Board's concerns that the risk of poor fuel management may be pervasive and prevalent in other missions. **In the view of the Committee, this pattern of extensive fuel fraud at UNAMSIL demonstrates the urgent necessity for the strengthening of the monitoring of fuel consumption throughout all peacekeeping operations.**

## III. Information on performance for the current period

16. The Advisory Committee was provided with additional information on the current period showing that as at 20 February 2006, of the approved budget of $107,539,300, expenditures amount to $85,300,600 gross or 79.5 per cent, with an unencumbered balance of $22,238,700. Savings are projected under civilian personnel owing to the higher than budgeted vacancy rates and to the turnover of

civilian personnel as staff are gradually reassigned to UNIOSIL and other missions (see para. 20 below). The Committee was informed that further savings are expected to materialize under air operations due to the earlier than planned departure of fixed-wing aircraft and helicopters from the mission, under ground transportation as a result of reduced costs in shipment and refurbishment of vehicles to the United Nations Mission in Liberia (UNMIL), UNIOSIL and the United Nations Mission in the Sudan (UNMIS) and under facilities and infrastructure.

17. The Advisory Committee was informed that as at 30 November 2005, a total of $2,783,086,880 had been assessed on Member States in respect of UNAMSIL since its inception. Payments received as at the same date amounted to $2,776,212,750, leaving an outstanding balance of $6,874,130. As at 17 February 2006, the cash position of the mission was $206,100,000 and unliquidated obligations for the period from 1 July 2004 to 30 June 2005 amounted to $7,536,000.

18. With regard to death and disability compensation, the Committee notes that since inception, as at 31 December 2005, 182 claims had been registered and that a total amount of $6,012,000 had been paid as compensation. Unliquidated obligations amount to $13,110,100 and nine claims are still pending. **The Committee expects expeditious settlement of these cases.**

## IV. Activities of the Mission related to liquidation

19. The Advisory Committee was informed that UNAMSIL had successfully implemented its adjustment, drawdown and withdrawal plan, having repatriated 3,375 troops and closed down 21 team sites by 31 December 2005 in accordance with Security Council resolution 1610 (2005). A liquidation office was established on 1 January 2006, staffed with 89 international and 31 security personnel. The Committee was assured that the liquidation plan was on track: it was anticipated that the liquidation of the assets according to the asset disposal plan would be completed by the end of April 2006 and that the remaining activities, including archiving, settlement of claims and closure of financial and personnel records, would be completed on schedule by 30 June 2006.

20. In its previous reports the Advisory Committee has commented on the high turnover of staff and the persistent difficulties experienced by UNAMSIL in retaining experienced staff as the mission was downsizing (A/59/736/Add.9, para. 32; A/59/417, para. 19). The Committee was informed that the mission is working closely with headquarters to ensure the placement of the remaining qualified UNAMSIL staff, to the extent possible, in UNIOSIL and other peacekeeping missions. Upon request, the Committee was provided additional information indicating that of the 82 UNAMSIL staff members requiring placement, including security personnel, 23 had been proposed for UNIOSIL, 1 had been selected for UNIOSIL and 1 might be reassigned to the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) in mid-April.

21. **The Advisory Committee emphasizes once again the heightened need for close oversight during the liquidation phase and for close coordination between UNAMSIL and the Office of Internal Oversight Services (OIOS) to ensure that proper oversight mechanisms are in place during the liquidation phase and that due attention is paid to ensuring strict application of United Nations Rules and Regulations and accepted practices in a transparent manner. In this connection,**

**the Committee was informed that the posts allocated to the Office of Internal Oversight Services for UNAMSIL have been filled (A/59/736/Add.9, para. 33).**

22. With respect to financial management issues, the Advisory Committee was informed that the Board of Auditors had noted in a management letter dated 21 November 2005 that UNAMSIL had taken steps to implement adequate controls to recover outstanding debts in a timely manner and had emphasized the need for settling receivables and payables before the liquidation of UNAMSIL. The Committee was assured that steady progress is being made in this regard. **It urges UNAMSIL to continue its efforts to comply with the recommendations of the Board of Auditors.**

23. The Advisory Committee was informed that all pertinent recommendations had been passed on to UNIOSIL management for follow-up and implementation, as appropriate.

**Support provided by the Mission**

24. In accordance with Security Council resolution 1620 (2005), UNAMSIL carried out logistical and administrative infrastructure arrangements to facilitate the start-up of UNIOSIL. The support structures for the military guard force providing security for the Special Court of Sierra Leone were also established by UNAMSIL. The Committee was provided additional information on the support and assistance provided by UNAMSIL to United Nations and non-United Nations entities in the mission area (see annex II).

**Asset disposal**

25. The Advisory Committee recalls that, as at 31 December 2004, UNAMSIL's updated preliminary asset disposal plan reflected an inventory value of some $65 million, of which it was proposed to transfer assets in the amount of 58 per cent to other peacekeeping missions, to transfer 2 per cent to other United Nations offices funded from the assessed budget, to sell 4 per cent to other to United Nations agencies and to write-off 23 per cent. It was proposed to donate the remaining 13 per cent, or assets in the value of some $8.4 million to the Government of Sierra Leone to support its ongoing capacity-building efforts (see A/59/759 and A/59/736/Add.9, paras. 40 and 41). This proposal was approved by the General Assembly in its resolution 59/14 B (para. 21).

26. The Advisory Committee was informed that as at 31 December 2005 the estimated inventory value of UNAMSIL's assets stood at $57.7 million and that the establishment of UNIOSIL and the military guard force for the Special Court of Sierra Leone had had a major impact on UNAMSIL's original preliminary asset disposal plan. Some $20.8 million, or 55 per cent of the assets intended for other peacekeeping missions, were now designated for UNIOSIL. As at 31 December 2005, assets in the amount of $9.2 million have been shipped to other missions, essentially UNMIL and the United Nations Operation in Côte d'Ivoire (UNOCI). At the beginning of March 2006, assets worth $7.2 million of the $8.4 million approved have been donated to the Government of Sierra Leone. It is expected that written-off assets in the amount of $13 million will be sold, of which $5.1 million have already been disposed of. A further $2.2 million worth of assets, with current sales in the amount of some $1 million, will be sold to United Nations agencies. Requests for material from other United Nations offices funded from the regular budget,

estimated at 2 per cent of the asset value, have not materialized. It is projected that by the end of April, UNAMSIL will have disposed of 97 per cent of its assets inventory, while the remaining assets will form the final donation to the Government of Sierra Leone.

27. The Advisory Committee was assured that UNAMSIL has taken steps to strengthen inventory control practices and that the office of the chief administrative officer would continue to exercise direct oversight throughout the process.

**Final performance report**

28. In light of the assurances given by UNAMSIL on the completion of all liquidation activities by 30 June 2006, the Advisory Committee requests that the final performance report be produced by the second quarter of 2007, at the time of the submission of the budget proposals for peacekeeping operations.

## V. Conclusion

29. The actions to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2004 to 30 June 2005 are indicated in paragraph 27 of the performance report (A/60/631). **The Advisory Committee recommends that the unencumbered balance of $27,077,800 as well as other income and adjustments in the amount of $72,209,800 be credited to the Member States in a manner to be determined by the General Assembly.**

*Documentation*

- Performance report of the Secretary-General on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2004 to 30 June 2005 (A/60/631)
- General Assembly resolution 59/14 B on the financing of UNAMSIL
- Security Council resolutions 1492 (2003) and 1537 (2004)
- Twenty-seventh report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2005/777)
- Twenty-third report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2004/724)
- Progress report of the Secretary-General on ways to combat subregional and cross-border problems in West Africa (S/2005/86)

# Annex I

## Actual expenditure for the period from 1 July 2005 to 30 June 2006

**As at 20 February 2006**
(Thousands of United States dollars)

| *Category* | *Appropriation* | *Expenditures* |
|---|---|---|
| **Military and police personnel** | | |
| Military observers | 3 250.6 | 2 328.4 |
| Military contingents | 31 832.4 | 30 587.7 |
| Civilian police | 1 562.8 | 1 185.8 |
| Formed police units | — | — |
| **Civilian personnel** | | |
| International staff | 24 290.3 | 17 503.0 |
| National staff | 2 186.0 | 1 425.5 |
| United Nations Volunteers | 1 689.0 | 2 072.8 |
| **Operational costs** | | |
| General temporary assistance | 379.6 | 6.6 |
| Government-provided personnel | — | — |
| Civilian electoral observers | — | — |
| Consultants | 77.3 | 49.9 |
| Official travel | 411.1 | 370.3 |
| Facilities and infrastructure | 9 488.9 | 7 454.5 |
| Ground transportation | 2 748.6 | 1 397.1 |
| Air transportation | 21 721.6 | 14 125.4 |
| Naval transportation | — | — |
| Communications | 3 550.9 | 2 975.9 |
| Information technology | 1 063.9 | 838.5 |
| Medical | 1 675.9 | 1912.8 |
| Special equipment | 688.0 | 688.0 |
| Miscellaneous supplies, services and equipment | 922.4 | 378.3 |
| Quick-impact projects | — | — |
| **Gross requirements** | **107 539.3** | **85 300.6** |
| Staff assessment income | 5 882.4 | 4 602.5 |
| **Net requirements** | **101 656.9** | **80 698.1** |
| Voluntary contributions in kind (budgeted) | — | — |
| **Total resource requirements** | **107 539.3** | **85 300.6** |

# Annex II

## Summary of support provided by the United Nations Mission in Sierra Leone to United Nations and non-United Nations entities in the Mission area

(United States dollars)

| | | | *Amount credited* | |
|---|---|---|---|---|
| *Entities receiving support*[a] | *Type/detail of support provided* | *Reimburseable* | *Mission allotment account* | *Miscellaneous income* |
| Special Court for Sierra Leone | Supply of fuel | Yes | — | 142 384 |
| | Air support services | Yes | | 24 858 |
| | Medical | Yes | — | 25 045 |
| | Security ID cards | Yes | — | 1 173 |
| | Generator parts | Yes | — | 101 |
| | Engineering electrical parts | Yes | — | 2 248 |
| | Sewage collection | Yes | — | 204 |
| | Rental of communications and IT equipment | Yes | — | 7 327 |
| | Outgoing diplomatic pouches to New York and Geneva | Yes | — | 1 414 |
| | Transport vehicle maintenance | Yes | — | 30 806 |
| | Air operations special flight | Yes | — | 9 564 |
| | Vehicle recovery | No | — | — |
| | Limited cargo movement | No | — | — |
| UNMIL | Vehicle and spares | Yes | — | 1 039 730 |
| | Communications and IT support | Yes | — | 287 979 |
| | Engineering equipment | Yes | | 320 378 |
| | Expendable supply item | Yes | | 28 300 |
| | Non-expendable supply item | Yes | | 13 874 |
| ONUCI | Vehicle and spares | Yes | — | 1 296 064 |
| | Communications and IT support | Yes | — | 1 077 097 |
| | Engineering equipment | Yes | | 349 812 |
| | 10,000 x Operational ration packs (ORP) Halal | Yes | 91 948 | — |
| | 3,000 x ORP Halal and 1,992 x ORP Hindu | No | | |
| | Expendable supply item | Yes | | 339 021 |
| | Non-expendable supply item | Yes | | 12 278 |
| UNAMIS | Vehicle and spares | Yes | — | 3 324 |
| | Communications and IT support | Yes | — | 1 106 360 |
| | Expendable supply item | Yes | | 48 754 |
| | Non-expendable supply item | Yes | | 180 686 |

| *Entities receiving support*[a] | *Type/detail of support provided* | *Reimbursable* | *Amount credited* | |
|---|---|---|---|---|
| | | | *Mission allotment account* | *Miscellaneous income* |
| UNAMI | Communications and IT support | Yes | — | 156 202 |
| | Freight and forwarding of communications and technology equipment | Yes | — | 10 377 |
| MINUSTAH | Communications and IT support | Yes | — | 49 875 |
| ONUB | Communications and IT support | Yes | — | 174 143 |
| | Expendable supply item | Yes | — | 2 095 |
| | Non-expendable supply item | Yes | — | 235 404 |
| UNGOBIS | Air support services | Yes | — | 106 584 |
| UNDP | Provided 3 accommodation containers on loan | No | — | — |
| UNHCR | Air support services | Yes | — | 4 882 |
| UNFPA | Air support services | Yes | — | 1 420 |
| FAO | Air support services | Yes | — | 2 347 |
| American Embassy | Bus hire | Yes | — | 76 |
| Japan International Cooperation Agency | Air support services | Yes | — | 1 327 |
| Freetown City Council | Assistance in solid waste collection and disposal | No | — | — |
| Sierra Leone Police | Supply of diesel | Yes | — | 3 924 |

[a] Abbreviations: UNMIL — United Nations Mission in Liberia; ONUCI — United Nations Operation in Côte d'Ivoire; UNAMIS — United Nations Advance Mission in the Sudan; UNAMI — United Nations Assistance Mission for Iraq; MINUSTAH — United Nations Stabilization Mission in Haiti; ONUB — United Nations Operation in Burundi; UNOGBIS — United Nations Peacebuilding Support Office in Guinea-Bissau; UNDP — United Nations Development Programme; UNHCR — Office of the United Nations High Commissioner for Refugees; FAO — Food and Agriculture Organization of the United Nations.